

UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

PINE RIVER PROJECT, COLORADO

CONTRACT BETWEEN THE UNITED STATES AND THE PINE RIVER  
IRRIGATION DISTRICT FOR THE USE OF PROJECT WATER  
FOR MISCELLANEOUS AND OTHER PURPOSES

This Contract, made this \_\_\_\_ day of \_\_\_\_\_, 2006, between the United States of America, hereinafter called the "United States", and the Pine River Irrigation District, hereinafter called "the District," pursuant to the Act of June 17, 1902 (32 Stat. 388) and all acts amendatory thereof or supplementary thereto, particularly the Act of February 25, 1920 (41 Stat. 451), collectively known as the Federal Reclamation laws.

WITNESSETH:

WHEREAS, pursuant to Section 4 of the Act of June 25, 1910 (36 Stat. 835), and Subsection B, Section 4 of the Fact Finders Act of December 5, 1924 (43 Stat. 701), and as authorized by the President on June 17, 1937, the United States constructed the Pine River Project.

WHEREAS, the United States and the District entered into Amendatory Contract No. Ilr-1204 dated November 30, 1953 for the construction, operation, and maintenance of the Pine River Project, for the delivery of Project Water, and the repayment of irrigation costs associated with the Project.

WHEREAS, the District has no current construction repayment obligation to the United States, having repaid its entire irrigation construction obligation to the United States.

WHEREAS, the District operates Vallecito Dam and Reservoir in accordance with the terms of contracts with the United States and the aforementioned Reclamation Laws, the District currently supplies Project Water to the Pine River service area for irrigation use and other beneficial purposes.

WHEREAS, the Act of February 25, 1920, authorizes the Secretary to enter into contracts to supply water from any project irrigation system for other purposes than irrigation, upon such conditions of delivery, use, and payment as the Secretary may deem proper; Provided, That the approval of such contract by the water users' association or associations (the District) shall have been first obtained; Provided, That no such contract shall be entered into except upon a showing that

1 there is no other practicable source of water supply for the purpose; Provided further, That no water  
2 shall be furnished for the uses aforesaid if the delivery of such water shall be detrimental to the water  
3 service for such irrigation project or to the rights of any prior appropriator; Provided further, That  
4 the moneys derived from such contracts shall be covered into the Reclamation Fund and be placed to  
5 the credit of the project from which such water is supplied.

6 WHEREAS, pursuant to Case No. 03CV300 in District Court, LaPlata County, Colorado,  
7 Division 4, the District has the authority to lease water for the purposes of this Contract.

8 WHEREAS, there is a need for the additional long term provision of Project Water for  
9 purposes and uses other than irrigation within the Project area.

10 NOW, THEREFORE, in consideration of the mutual and dependent covenants herein  
11 contained, the parties hereto agree as follows:

#### 12 13 DEFINITIONS

14 1. (a) "District" means the Pine River Irrigation District, a public corporation, organized  
15 under the laws of the State of Colorado.

16 (b) "Project" means the Pine River Project in Colorado.

17 (c) "Project Water" means all water appropriated or otherwise acquired by the District,  
18 including water rights acquired by the United States and transferred to the District, for the benefit of  
19 the Project, including Project return flows.

20 (d) "Project Works" means all works or facilities constructed for the Project by Reclamation,  
21 together with any rights-of-way.

22 (e) "Reclamation Law" means the Act of June 17, 1902 (32 Stat. 388), and all acts  
23 amendatory thereof or supplementary thereto, including particularly the Act of February 25, 1920  
24 (41 Stat. 451) (1920 Act).

25 (f) "Secretary or Contracting Officer" means the Secretary of the United States Department  
26 of the Interior or the Secretary's duly authorized representative.

27 (g) "United States" means the United States of America acting by and through the Bureau of  
28 Reclamation, hereinafter called "Reclamation".

29 (h) "Leased Water" means water that is actually contracted to Third-Party Contractors, not  
30 including Standby Water, or is contracted under the "Minor Uses" Block for District and Federal  
31 charges. Leased Water may supply municipal, industrial, and miscellaneous uses.

1 (i) "Standby Water" means water reserved under the Minor Uses or Third Party Contractor  
2 provisions for future use which is not charged the Total Water Rate and is not delivered during the  
3 water year. The contractor may request the use of all or a portion of Standby Water by a certain date  
4 each water year at which time the water will become Leased Water from that year on. Standby  
5 water not requested by that date is then transferred to the storage pool for use in that water year.

6 (j) "Total Water Rate" means the total water rate the District charges for use of Leased  
7 Water which includes all District and Federal charges.

8 (k) "Third-Party Contract" means a contract between the District and a Third Party  
9 Contractor, pursuant to this Contract and subject to the approval of the United States, for the delivery  
10 of Leased Water.

11 (l) "Third-Party Contractor" means any entity and/or persons entering into a Third-Party  
12 Contract with the District and the United States for greater than 20 acre-feet (AF) of water.

13 (m) "Minor Uses" means those existing and future uses whose individual Leased Water  
14 allocations are equal to or less than 20 AF. Minor Uses will receive Leased Water in this contract  
15 under the Minor Uses Block.

16 (n) "Water Year" means the year commencing on November 1 of each year and running  
17 through the following October 31.

#### 18 19 CONTRACTING AUTHORITY

20 2. This Contract, executed under the authority of the Act of June 17, 1902 (32 Stat. 388), and  
21 all acts amendatory thereof or supplementary thereto, particularly the Act of February 25, 1920 (41  
22 Stat. 451), is supplementary to existing contracts between the United States and the District. This  
23 Contract establishes the terms and conditions for the use of Pine River Project Water provided for  
24 uses other than irrigation. All Project Water hereafter provided for miscellaneous purposes and uses  
25 other than irrigation under the terms of this Contract shall be subject to the conditions set forth  
26 herein.

#### 27 28 CONTRACT TERMS

29 3. (a) This Contract shall be effective upon execution by the parties hereto and,  
30 following payment of the obligations described herein, all other contract terms will remain in full  
31 force and effect until mutually agreed upon by the District and the United States.

1 (b) The terms and conditions of this Contract may be revised by Contract Amendment or the  
2 Contract terminated at any time if the District and United States mutually agree in writing.

#### 4 WATER RIGHTS AND USE

5 4. (a) The water rights are appropriated for the Project and are in the name of the District,  
6 including the transferred rights of the United States and the water rights held in trust by the United  
7 States for the Southern Ute Indian Tribe. The District has the right to use and distribute Project  
8 Water pursuant to Federal law and contract, and other state law and policies, rules, and regulations.  
9 This Contract shall not create, enlarge, or diminish any water right of the District, the United States,  
10 or any third party. Further, no third party may claim a water right based on any legal theory arising  
11 under State or Federal law, before any State or Federal judicial or administrative body based on the  
12 use of Project Water under this Contract.

13 (b) The use of any Leased or Standby Water under this Contract shall not be detrimental  
14 to the water rights held in trust by the United States for the Southern Ute Indian Tribe.

#### 16 USE AND DELIVERY OF PROJECT WATER FOR MISCELLANEOUS PURPOSES

17 5. (a) Pursuant to this Contract and the provisions of the 1920 Act, the District is hereby  
18 authorized to use Project Water for municipal, industrial, and miscellaneous uses, under the two  
19 categories described herein.

20 (1) Minor Uses Block - A maximum of 2,000 AF annually of Project Water shall  
21 be available to the District for minor exchanges of 20 AF or less annually per exchange  
22 for municipal, industrial, and miscellaneous uses. Leases of Project Water, or water  
23 placed under Standby, by the District under this block can only be accomplished through  
24 the use of an "Application for Exchange" attached to this Contract as **Attachment A**. If  
25 all water in this Block is fully utilized, the District may pursue additional water for  
26 municipal, industrial, and miscellaneous purposes pursuant to the conditions of this  
27 contract, if it satisfies the 1920 Act conditions and obtains additional National  
28 Environmental Policy Act of 1969 (NEPA) compliance.

29 (2) Third-Party Contracts - A maximum of 4,700 AF annually of Project Water  
30 shall be made available to the District either to be leased to, or placed on standby status  
31 for, municipal, industrial, and miscellaneous users through Third-Party Contracts that

1 will require approval by the United States pursuant to Article 7. The District agrees to  
2 require Third-Party Contracts for any users of Project Water who are requesting amounts  
3 greater than 20 AF annually. The total initial amount of approximately 150 AF shall be  
4 made available for the Town of Bayfield and the Forest Lakes Metro District through  
5 Third Party Contracts with those entities. This 150 AF plus an additional 850 AF for  
6 future Third Party Contracts equals 1,000 AF of initial Third Party Contract water. If the  
7 full 4,700 AF of water herein is fully utilized, the District may pursue additional water  
8 for municipal, industrial, and miscellaneous purposes pursuant to the conditions of this  
9 contract, if it satisfies the 1920 Act conditions and obtains additional NEPA compliance.

10 (b) NEPA Compliance - Prior to execution of this Contract, compliance with NEPA will be  
11 completed for the following:

12 (1) The 2,000 AF of Minor Uses water provided for in subarticle 5(a)(1). This  
13 includes the water under this block that is currently being delivered (approximately 500 AF)  
14 as well as the remaining 1,500 AF that may be delivered in the future, to the extent that the  
15 impacts associated with those future deliveries are consistent with the existing deliveries. If  
16 future delivery of this water does not occur as anticipated in the initial NEPA document,  
17 additional environmental analysis will be necessary prior to delivery of this water.

18 (2) The initial 1,000 AF of Third-Party Contract water as described in subarticle  
19 5(a)(2). Any additional future use of Project Water for municipal, industrial, or  
20 miscellaneous purposes not addressed by the said NEPA documentation, including any  
21 Minor Uses water for greater than the 2,000 AF described in subarticle 5(a)(1) and any  
22 Third-Party Contracts for greater than the initial 1,000 AF described in subarticle 5(a)(2),  
23 will require additional NEPA compliance. The District will not take any actions through this  
24 Contract which are not in conformance with the NEPA documents for this contract without  
25 additional NEPA compliance.

26 (c) 1920 Act Compliance - In order to comply with the 1920 Act, the following  
27 conditions must be satisfied prior to the use of Leased Water and prior to the placement of water  
28 under standby status: (1) the water users association, which the United States has determined is  
29 the District, is required to approve this Contract. This condition will be satisfied by a resolution  
30 from the District; (2) no such contract shall be entered into except upon a showing that there is  
31 no other practicable source of water supply for the purpose. This condition will be satisfied by a

1 written report by a professional engineer; and (3) that no water shall be furnished for the uses  
2 aforesaid if the delivery of such water shall be detrimental to the water service for such irrigation  
3 project or to the rights of any prior appropriator. This condition will be satisfied by a written  
4 report by a professional engineer specifying how use of this water will not impact irrigation.

5 The initial 1920 Act compliance for this contract covers the 2,000 AF of water for Minor  
6 Uses as provided in subarticle 5(a)(1), and 1,000 AF of Third-Party Contract water as described  
7 in subarticle 5(a)(2). Additional 1920 Act compliance will be required for any water for Minor  
8 Uses greater than the 2,000 AF described in subarticle 5(a)(1), any Third Party Contracts greater  
9 than the initial 1,000 AF of water under subarticle 5(a)(2), or for any additional future use of  
10 Project Water for municipal, industrial, or miscellaneous purposes not addressed by the initial  
11 1920 Act compliance for this contract.

12  
13 TERMS OF PAYMENT FOR THE USE OF PROJECT WATER  
14 FOR MISCELLANEOUS PURPOSES

15 6. (a) The District shall have the right to charge users for any Project Water made  
16 available under Articles 5(a)(1) and 5(a)(2). The District's charges for Leased Water shall  
17 consist of the following components:

- 18 (1) Annual operation and maintenance costs;  
19 (2) Annual costs associated with the administration of this Contract, and;  
20 (3) Annualized system improvements costs, replacement costs, and water  
21 conservation activity costs, all associated with the Project Works.

22 (b) The District charges for Standby Water shall be based on the amount of Standby  
23 Water that shall be designated in a contract for Minor Uses or Third Party Contract water. The  
24 District shall charge for Standby Water each year for each acre-foot designated in the Minor  
25 Uses or Third Party contract. The charge for Standby Water shall be determined by resolution of  
26 the District Board of Directors. If the charge for Standby Water is not paid in a timely manner,  
27 the water user shall forfeit the rights to the Standby Water.

28 (c) Federal charges, which are calculated in addition to the District rate, shall in no event  
29 reduce the District's rate. The District agrees to pay the United States fees for Project Water  
30 made available under this Contract consisting of the following components:

(1) An annual charge based on 15 percent of the District's charges to the total amount of Project Water leased, or placed on Standby, under the Minor Uses Block, pursuant to Article 5(a)(1), in any given water year. Federal charges for leases under the Minor Uses Block will be based upon four sub-blocks comprising approximately 500 AF each. Each Minor Uses Sub-Block will have its own 40-year period of Federal charges. Minor Uses Sub-Block No. 1 will provide up to a maximum of XXX AF (Insert actual amount-about 500 AF) and Federal charges for the water leased under this sub-block will start with water year 2007 and end with water year 2046. Annual Federal charges will be based on the amount of water leased in that particular year (current use is about 500 AF). When any yearly demand by the District for water under the Minor Uses Block exceeds XXX AF, then Minor Uses Sub-Block No. 2 will be issued by the Contracting Officer in accordance with Article 14 and the 40-year Federal charge period will begin on that year of issue. As in Sub-Block No. 1, annual Federal charges on Sub-Block No. 2 will be based on the amount of water leased in that particular year (from 0 to 500 AF). For example, if in water year 2010 the District requires 501 AF from the Minor Uses Block, then Sub-Block No. 2 is issued and Federal charges on that sub-block will be assessed from water year 2010 through 2049, and the Federal charges in 2010 will be based on 500 AF for Sub-Block No. 1 and 1 AF for Sub-Block No. 2. Similarly, when any yearly demand by the District for water under the Minor Uses Block exceeds 1,000 AF, then Minor Uses Sub-Block No. 3 will be issued and the 40-year Federal charge period on Sub-Block No. 3 will begin on that year of issue, with Federal charges based on the amount of water leased in that particular year (from 0 to 500 AF). And similarly, when any yearly demand by the District for water under the Minor Uses Block exceeds 1,500 AF, then Minor Uses Sub-Block No. 4 will be issued and the 40-year Federal charge period on Sub-Block No. 4 will begin on that year of issue, with Federal charges based on the amount of water leased in that particular year (from 0 to 500 AF).

(2) An annual charge based on 15 percent of the District's charges to all approved Third-Party Contracts in effect for Leased Water and Standby Water, pursuant to Article 5(a)(2). This charge will be assessed for each Third-Party Contract for 40 years from the year that contract was executed.

1 (d) Billing by the United States will be based on the Annual Report provided by the  
2 District. The District will provide to the United States, by December 31 following the water year  
3 of use, the Annual Report which is comprised of a list accounting for the amounts of Project  
4 Water under the Minor Uses Block and Third Party Contracts leased or on standby to users under  
5 Articles 5(a)(1) and 5(a)(2). Based on this report, the United States will bill the District by  
6 January 31 of the water year following the water year of use, and the District agrees to pay the  
7 United States within 30 days of receipt of said bill. Any delinquent Third-Party Contractors shall  
8 not receive water until all charges are paid in full. If the actual amount of water leased or on  
9 standby is different from that reported in the Annual Report, any adjustments will be made on  
10 the next annual billing.

11 (e) All revenues resulting from the Federal charges pursuant to this Contract are subject  
12 to the provisions of the 1920 Act and shall be deposited into the Reclamation Fund and be placed  
13 to the credit of the project from which the water was supplied.

#### 14 15 THIRD-PARTY CONTRACTS

16 7. Contracts which provide Project Water to any third-party for municipal, industrial, and  
17 miscellaneous purposes for amounts greater than 20 acre-feet annually, shall not be considered  
18 subcontracts for purposes of Article 22 of this Contract. These Third-Party Contracts shall:

19 (a) Be subject to written approval of the Secretary, which approval shall not be withheld  
20 if the terms of such contract are consistent with the terms hereof and with Federal Law,  
21 regulation, or policy.

22 (b) Only be executed with providers and users of Leased Water and/or Standby Water.

23 (c) As a minimum, contain the following provisions:

24 (1) All Third-Party Contractors are subject to this Contract and all Federal Laws  
25 and regulations applicable to Project Water, particularly the 1920 Act.

26 (2) If there are any conflicts between this Contract and any Third-Party Contract,  
27 this Contract shall govern.

28 (3) Nothing in the Third-Party Contract is intended to create a water right to  
29 Project Water obtained pursuant to this Contract, and the Third-Party Contractor may not  
30 claim a water right based on any legal theory arising under State or Federal law, before  
31 any State or Federal judicial or administrative body based on the use of Project Water



1 under this or any Third-Party Contract.

2 (4) The United States shall be a party to the contract with privity of contract  
3 between the United States and the third party allowing the United States to enforce any  
4 provision of the contract, Federal law, or Federal regulations against the third party  
5 directly.

6 (5) Third-Party Contractors are required to establish and maintain records  
7 acceptable to the Secretary pertaining to the Third-Party Contractor's receipt and use of  
8 Project Water, and other matters as the Secretary may reasonably require. Records shall  
9 be furnished to the Secretary in such form and on such date or dates as the Secretary may  
10 reasonably require.

11 (6) Third-Party Contractors are required to acknowledge that their right to use  
12 Leased Water, or have water on standby, is based strictly on their contract.

13 (7) The quality of Project Water is not warranted by the United States or the  
14 District.

15 (8) Third parties must pay the Total Water Rate by the specified due date which  
16 includes the Federal revenue charge for water supplied under this Contract.

17 (9) In the event of default by a Third Party Contractor, the District has the option  
18 to continue payments on that amount of water by a certain date each water year or return  
19 the water to the storage pool with no further obligation.

20 (d) The District, or the Third-Party Contractor, are responsible for all expenditures that  
21 are necessary to complete NEPA and other environmental law compliance for any future Third-  
22 Party Contract, and by providing this funding, will have the right to choose who they will  
23 contract for the work. However, the United States must approve all environmental compliance  
24 documentation prior to the execution of any future Third-Party Contract. Such environmental  
25 documentation may be prepared by or for another federal agency.

#### 26 27 MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION

28 8. (a) The water to be provided herein will be delivered at the outlet works of Vallecito  
29 Dam or from the Reservoir. All users of Leased Water will be required to provide a measuring  
30 device, which is acceptable to the Contracting Officer, at or near the Contractor's point or points  
31 of diversion to measure the quantity of water diverted under this Contract.

1 (b) The District shall prepare and furnish such reports on water use and related data as  
2 required by the Contracting Officer.

3  
4 UNITED STATES NOT LIABLE FOR WATER SHORTAGES - ADJUSTMENTS

5 9. There may occur at times during any year a shortage in the quantity of water available  
6 to the District through and by means of the Project, but in no event shall any liability accrue  
7 against the United States or any of its officers, agents, or employees for any damage, direct or  
8 indirect, arising from a shortage on account of drought, errors in operation, or any other causes.  
9 In any year in which there may occur a shortage from any cause, the United States reserves the  
10 right to apportion the available water supply, pursuant to the District's existing Repayment  
11 Contract with Reclamation, Contract No. Ilr-1204, and the Memorandum of Understanding  
12 between Reclamation and the Bureau of Indian Affairs, Contract No. Ilr-1161.

13  
14 WATER MANAGEMENT

15 10. As required by Section 210(b) of the Reclamation Reform Act of 1982 (RRA) and  
16 Part 427.1 of the Water Conservation Rules and Regulations effective January 1, 1998, the  
17 District developed and adopted a water management plan in 2001 entitled "Pine River Irrigation  
18 District Water Management Plan, December 17, 2001". The District shall continue to implement  
19 measures contained in their plan, and at subsequent 5-year intervals from the 2001 plan, the  
20 District shall submit a report on the results of the program to the Contracting Officer for review.  
21 Based on the conclusions of the review, the Contracting Officer and District shall consult and  
22 determine whether to continue or update the existing water management program.

23  
24 STANDARD ARTICLES

25  
26 CHARGES FOR DELINQUENT PAYMENTS

27  
28 11. (a) The District shall be subject to interest, administrative, and penalty charges on  
29 delinquent payments. If a payment is not received by the due date, the District shall pay an  
30 interest charge on the delinquent payment for each day the payment is delinquent beyond the due  
31 date. If a payment becomes 60 days delinquent, in addition to the interest charge, the District  
32 shall pay an administrative charge to cover additional costs of billing and processing the  
33 delinquent payment. If a payment is delinquent 90 days or more, in addition to the interest and

1 administrative charges, the District shall pay a penalty charge for each day the payment is  
2 delinquent beyond the due date, based on the remaining balance of the payment due at the rate of  
3 6 percent per year. The District shall also pay any fees incurred for debt collection services  
4 associated with a delinquent payment.

5 (b) The interest charge rate shall be the greater of either the rate prescribed quarterly in  
6 the Federal Register by the Department of the Treasury for application to overdue payments or  
7 the interest rate of 0.5 percent per month. The interest charge rate will be determined as of the  
8 due date and remain fixed for the duration of the delinquent period.

9 (c) When a partial payment on a delinquent account is received, the amount received  
10 shall be applied first to the penalty charges, second to the administrative charges, third to the  
11 accrued interest, and finally to the overdue payment.

#### 12 13 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

14  
15 12. (a) The obligation of the District to pay the United States as provided in this  
16 Contract is a general obligation of the District notwithstanding the manner in which the  
17 obligation may be distributed among the District's water users and notwithstanding the default of  
18 individual water users in their obligation to the District.

19 (b) The payment of charges becoming due pursuant to this Contract is a condition  
20 precedent to receiving benefits under this Contract. The District shall not deliver water under the  
21 terms and conditions of this Contract for lands or parties that are in arrears in the advance  
22 payment of water rates as levied or established by the District.

#### 23 24 CONFIRMATION OF CONTRACT

25  
26 13. The District, after the execution of this Contract, shall furnish to the Contracting  
27 Officer evidence that pursuant to the laws of the State of Colorado, the District is a legally  
28 constituted entity and the Contract is lawful, valid, and binding on the District. This Contract  
29 shall not be binding on the United States until such evidence has been provided to the  
30 Contracting Officer's satisfaction.

#### 31 32 NOTICES

33  
34 14. Any notice, demand, or request authorized or required by this Contract shall be  
35 deemed to have been given, on behalf of the District, when mailed, postage prepaid, or delivered  
36 to the Regional Director, Upper Colorado Region, Bureau of Reclamation, 125 South State  
37 Street, Room 6107, Salt Lake City, Utah 84138-1102, and on behalf of the United States, when  
38 mailed, postage prepaid, or delivered to the Pine River Irrigation District, 13029 County Road  
39 501, Bayfield, Colorado 81122. The designation of the addressee or the address may be  
40 changed by notice given in the same manner as provided in this article for other notices.

#### 41 42 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

43  
44 15. The expenditure or advance of any money or the performance of any obligation of

1 the United States under this Contract shall be contingent upon appropriation or allotment of  
2 funds. Absence of appropriation or allotment of funds shall not relieve the District from any  
3 obligations under this Contract. No liability shall accrue to the United States in case funds are  
4 not appropriated or allotted.

#### 5 6 OFFICIALS NOT TO BENEFIT 7

8 16. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
9 the District shall benefit from this Contract other than as a water user or landowner in the same  
10 manner as other water users or landowners.

#### 11 12 CHANGES IN DISTRICT'S ORGANIZATION 13

14 17. While this Contract is in effect, no change may be made in the District's  
15 organization, by any changes which may affect the respective rights, obligations, privileges, and  
16 duties of either the United States or the District under this Contract including, but not limited to,  
17 dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

#### 18 19 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED 20

21 18. The provisions of this Contract shall apply to and bind the successors and assigns of  
22 the parties hereto, but no assignment or transfer of this Contract or any right or interest therein by  
23 either party shall be valid until approved in writing by the other party.

#### 24 25 BOOKS, RECORDS, AND REPORTS 26

27 19. The District shall establish and maintain accounts and other books and records  
28 pertaining to administration of the terms and conditions of this Contract, including the District's  
29 financial transactions; water supply data; project operation, maintenance, and replacement logs;  
30 water-use data; and other matters that the Contracting Officer may require. Reports shall be  
31 furnished to the Contracting Officer in such form and on such date or dates as the Contracting  
32 Officer may require. Subject to applicable Federal laws and regulations, each party to this  
33 Contract shall have the right during office hours to examine and make copies of the other party's  
34 books and records relating to matters covered by this Contract.

#### 35 36 RULES, REGULATIONS, AND DETERMINATIONS 37

38 20. (a) The parties agree that the delivery of water or the use of Federal facilities  
39 pursuant to this Contract is subject to Federal reclamation law, as amended and supplemented,  
40 and the rules and regulations promulgated by the Secretary of the Interior under Federal  
41 reclamation law.

42 (b) The Contracting Officer shall have the right to make determinations necessary to  
43 administer this Contract that are consistent with the expressed and implied provisions of this  
44 Contract, the laws of the United States and the State, and the rules and regulations promulgated

1 by the Secretary of the Interior. Such determinations shall be made in consultation with the  
2 District.

### 3 4 PROTECTION OF WATER AND AIR QUALITY 5

6 21. (a) Project facilities used to make available and deliver water to the District shall be  
7 operated and maintained in the most practical manner to maintain the quality of the water at the  
8 highest level possible as determined by the Contracting Officer; *Provided, That* the United States  
9 does not warrant the quality of the water delivered to the District and is under no obligation to  
10 furnish or construct water treatment facilities to maintain or improve the quality of water  
11 delivered to the District.

12 (b) The District shall comply with all applicable water and air pollution laws and  
13 regulations of the United States and the State of Colorado; and shall obtain all required permits  
14 or licenses from the appropriate Federal, State, or local authorities necessary for the delivery of  
15 water by the District; and shall be responsible for compliance with all Federal, State, and local  
16 water quality standards applicable to surface and subsurface drainage and/or discharges  
17 generated through the use of Federal or District facilities or project water provided by the  
18 District within the District's Project Water Service Area.

19 (c) This article shall not affect or alter any legal obligations of the Secretary to provide  
20 drainage or other discharge services.

### 21 22 EQUAL EMPLOYMENT OPPORTUNITY 23

24 22. During the performance of this Contract, the District agrees as follows:

25 (1) The District will not discriminate against any employee or applicant for  
26 employment because of race, color, religion, sex, disability, or national origin. The  
27 District will take affirmative action to ensure that applicants are employed, and that  
28 employees are treated during employment, without regard to their race, color, religion,  
29 sex, disability, or national origin. Such action shall include, but not be limited to the  
30 following: employment, upgrading, demotion, or transfer; recruitment or recruitment  
31 advertising; layoff or termination; rates of pay or other forms of compensation; and  
32 selection for training, including apprenticeship. The District agrees to post in  
33 conspicuous places, available to employees and applicants for employment, notices to be  
34 provided by the Contracting Officer setting forth the provisions of this nondiscrimination  
35 clause.

36 (2) The District will, in all solicitations or advertisements for employees placed  
37 by or on behalf of the District, state that all qualified applicants will receive consideration  
38 for employment without regard to race, color, religion, sex, disability, or national origin.

39 (3) The District will send to each labor union or representative of workers with  
40 which it has a collective bargaining agreement or other contract or understanding, a  
41 notice, to be provided by the Contracting Officer, advising the labor union or workers'  
42 representative of the District's commitments under Section 202 of Executive Order 11246  
43 of September 24, 1965, and shall post copies of the notice in conspicuous places available  
44 to employees and applicants for employment.

1 (4) The District will comply with all provisions of Executive Order No. 11246 of  
2 September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of  
3 Labor.

4 (5) The District will furnish all information and reports required by Executive  
5 Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the  
6 Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and  
7 accounts by the Contracting Agency and the Secretary of Labor for purposes of  
8 investigation to ascertain compliance with such rules, regulations, and orders.

9 (6) In the event of the District's noncompliance with the nondiscrimination  
10 clauses of this Contract or with any of such rules, regulations, or orders, this Contract  
11 may be canceled, terminated or suspended in whole or in part and the District may be  
12 declared ineligible for further Government contracts in accordance with procedures  
13 authorized in Executive Order 11246 of September 24, 1965, and such other sanctions  
14 may be imposed and remedies invoked as provided in Executive Order 11246 of  
15 September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as  
16 otherwise provided by law.

17 (7) The District will include the provisions of paragraphs (1) through (7) in every  
18 subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
19 Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of  
20 September 24, 1965, so that such provisions will be binding upon each subcontractor or  
21 vendor. The District will take such action with respect to any subcontract or purchase  
22 order as may be directed by the Secretary of Labor as a means of enforcing such  
23 provisions, including sanctions for noncompliance: *Provided, however*, that in the event  
24 the District becomes involved in, or is threatened with, litigation with a subcontractor or  
25 vendor as a result of such direction, the District may request the United States to enter  
26 into such litigation to protect the interests of the United States.

#### 27 28 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS 29

30 23. (a) The District shall comply with Title VI of the Civil Rights Act of 1964  
31 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as amended), the  
32 Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq.*), Title II of the Americans with  
33 Disabilities Act of 1990 if the entity is a State or local government entity [Title III if the entity is  
34 a non-government entity], and any other applicable civil rights laws, as well as with their  
35 respective implementing regulations and guidelines imposed by the U.S. Department of the  
36 Interior and/or Bureau of Reclamation.

37 (b) These statutes require that no person in the United States shall be excluded from  
38 participation in, be denied the benefits of, or be otherwise subjected to discrimination under any  
39 program or activity receiving financial assistance from the Bureau of Reclamation on the  
40 grounds of race, color, national origin, disability, or age. By executing this Contract, the District  
41 agrees to immediately take any measures necessary to implement this obligation, including  
42 permitting officials of the United States to inspect premises, programs, and documents.

43 (c) The District makes this agreement in consideration of and for the purpose of  
44 obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal

1 financial assistance extended after the date hereof to the District by the Bureau of Reclamation,  
2 including installment payments after such date on account of arrangements for Federal financial  
3 assistance which were approved before such date. The District recognizes and agrees that such  
4 Federal assistance will be extended in reliance on the representations and agreements made in  
5 this article and that the United States reserves the right to seek judicial enforcement thereof.

6 (d) Complaints of discrimination against the District shall be investigated by the  
7 Contracting Officer's Office of Civil Rights.  
8

#### 9 MEDIUM FOR TRANSMITTING PAYMENTS

10  
11 24. (a) All payments from the District to the United States under this Contract shall be  
12 by the medium requested by the United States on or before the date payment is due. The  
13 required method of payment may include checks, wire transfers, or other types of payment  
14 specified by the United States.

15 (b) Upon execution of the Contract, the District shall furnish the Contracting Officer  
16 with the District's taxpayer's identification number (TIN). The purpose for requiring the  
17 District's TIN is for collecting and reporting any delinquent amounts arising out of the District's  
18 relationship with the United States.  
19

#### 20 CONTRACT DRAFTING CONSIDERATIONS

21  
22 25. Articles 1 through 25 of this Contract have been drafted, negotiated, and reviewed by  
23 the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains,  
24 and no one party shall be considered to have drafted the stated articles.  
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1 IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed the  
2 day and year first written above.

3  
4 Approved:

UNITED STATES OF AMERICA

5  
6  
7  
8 \_\_\_\_\_  
Office of the Regional Solicitor

\_\_\_\_\_  
Regional Director  
Upper Colorado Region  
Bureau of Reclamation

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11  
12 ATTEST:

PINE RIVER IRRIGATION DISTRICT

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15  
16 \_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

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20 **List of Attachments:**

21 Attachment A – Application for Exchange  
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